

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 SS-15 STR-01 OMB-01 CEA-01 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01

L-02 H-01 PA-01 PRS-01 USIA-06 NEA-09 IO-10 /094 W

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R 160816Z JAN 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 9870

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USADB

TREASURY FOR ZINMAN

E O 11652: ADS, DECLAS 1/16/76

TAGS: EAID, EFIN

SUBJ: ADB SUPPLEMENTARY LOAN FOR BANGLADESH WEST ZONE  
POWER PROJECT

REF: A) MANILA 15020; B) STATE 262054; C) TREASURY 75-5

1. POINTS PARA 4 REF C RAISED WITH BANK MANAGEMENT  
SEVERAL OCCASIONS DURING PREVIOUS BOARD DISCUSSIONS OF  
SUPPLEMENTARY LOAN PROJECTS. BANK MAKING EVERY EFFORT  
TO ADVISE NEW MEMBERS OF ADB CONSULTANCY SELECTION AND  
PROCUREMENT GUIDELINES. IN GENERAL, PROBLEMS LIE MORE  
WITH ACQUAINTING NEW BORROWERS WITH CONSULTANCY SELECTION  
PROCEDURES THAN WITH PROCUREMENT GUIDELINES SINCE CON-  
SULTANTS RECRUITED HAVE RESPONSIBILITY FOR ADVISING ON  
CONTRACT AWARDS. SUCH CONSULTANTS CUSTOMARILY HAVE WIDE  
EXPERIENCE WITH EITHER ADB OR OTHER IFIS AND HENCE  
KNOWLEDGEABLE AND ABLE TO EXPEDITE EVALUATION AND  
SUGGESTED AWARDS OF CONTRACTS IN QUESTION.

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2. IN CASE OF WEST ZONE POWER CONSIDERABLE DELAY  
ENSUED PRIMARILY BECAUSE OF DIFFICULTIES BETWEEN  
BENGALIS AND CONSULTANT INITIALLY SELECTED IN  
ARRIVING AT MUTUALLY AGREEABLE PRICE FOR CONSULTANT  
SERVICES. HOWEVER, CONSULTANT, IN GOOD FAITH,  
EVALUATED PROPOSALS LONG PRIOR TO REACHING ACTUAL  
AGREEMENT WITH BENGALIS ON COST OF SERVICES. BANK  
MADE REPEATED EFFORTS TO FINALIZE CONSULTANT AGREEMENT.  
HAD IT NOT DONE SO, EVALUATION AND CONTRACT AWARD  
WOULD HAVE BEEN GREATLY DELAYED. WISH TO POINT OUT,  
AS WELL, THAT SUBMISSION OF BIDS FOR WEST ZONE POWER  
MADE WITHIN TIME TABLE ENVISAGED AT TIME OF ORIGINAL  
LOAN APPROVAL BY BOARD.

3. LITTLE POSSIBILITY THAT END-OF-YEAR PRESSURES  
CAUSED BANK MANAGEMENT TO BRING LOAN PREMATURELY TO  
THE BOARD. AS INDICATED REF A, BANK SATISFIED WITH  
IMMEDIATE 100 PERCENT INCREASE IN TARIFFS, FEELING IT ONLY  
PRUDENT TO WAIT FOR TOTAL REVIEW AND ANALYSIS OF  
RAILWAY ACCOUNTS BEFORE FURTHER TARIFF INCREASE  
IMPLEMENTED. IN ADDITION, BANK LANGUAGE IN LOAN  
DOCUMENTS AND SIDE LETTERS REGARDING OBLIGATION  
OF BENGALIS TO ACCEPT RECOMMENDATION OF CONSULTANT  
MEETS NORMAL BANK STANDARDS RE STRINGENCY. HENCE,  
BANK SATISFIED THAT BENGALIS OBLIGATED, IN CONSULTATION  
WITH BANK, TO ACCEPT RECOMMENDATIONS OF  
MANAGEMENT CONSULTANTS UNLESS OVERRIDING AND  
UNFORESEEN CIRCUMSTANCES TO THE CONTRARY SHOULD  
SUBSEQUENTLY ARISE.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANK LOANS, ELECTRIC POWER PLANTS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MANILA00698  
**Document Source:** CORE  
**Document Unique ID:** 00  
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**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750016-1167  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750147/aaaabova.tel  
**Line Count:** 91  
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**Office:** ACTION TRSE  
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**Previous Handling Restrictions:** n/a  
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**Review Date:** 22 JUL 2003  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ADB SUPPLEMENTARY LOAN FOR BANGLADESH WEST ZONE POWER PROJECT  
**TAGS:** EAID, EFIN, ADB-1  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006